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Statistical reorganization

Washington

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Statistical Reorganization

REPORT OF A COMMITTEE APPOINTED BY THE
SECRETARY OF COMMERCE AND LABOR
TO INQUIRE INTO THE STATISTICAL
WORK OF THE DEPARTMENT

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Box 296

MARCH 2, 1908



WASHINGTON :: GOVERNMENT PRINTING OFFICE :: 1908

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STATISTICAL WORK OF THE DEPARTMENT OF
COMMERCE AND LABOR.

WASHINGTON, *March 2, 1908.*

SIR: On September 20, 1907, you appointed the following committee to examine critically into the statistical work of this Department: Lawrence O. Murray, Assistant Secretary of Commerce and Labor, Chairman; S. N. D. North, Director of the Census; Herbert Knox Smith, Commissioner of Corporations; Charles P. Neill, Commissioner of Labor, and O. P. Austin, Chief of the Bureau of Statistics.

Prof. Edwin R. A. Seligman, Columbia University; Prof. J. W. Jenks, Cornell University, and Mr. H. Parker Willis, Washington, D. C., were invited to act in an advisory capacity to the Committee, and consented to do so.

The report herewith submitted is a joint report representing the views of both the Departmental Committee and the Advisory Committee.

The nature of the inquiry was defined in the following order:

DEPARTMENT OF COMMERCE AND LABOR,
OFFICE OF THE SECRETARY,

Washington, September 20, 1907.

DEAR SIR: Section 4 of the organic law establishing the Department of Commerce and Labor provides in part that "the Secretary of Commerce and Labor is hereby given the power and authority to rearrange the statistical work of the bureaus and offices confided to said Department, and to consolidate any of the statistical bureaus and offices transferred to said Depart-

ment; * * * and said Secretary of Commerce and Labor may collate, arrange, and publish such statistical information so obtained in such manner as to him may seem wise."

Under the authority conferred upon me by the section above quoted, you are hereby appointed a committee to examine critically into the statistical work of this Department with a view to making it more accurate, if possible, and at the same time avoid duplication, if any exists, and to effect a saving of expense to the Government in the compilation and publication of statistics.

You are directed to consider the question whether it would be wise to consolidate the Bureau of Statistics (which was transferred from the Treasury Department at the time of the organization of this Department) with and make it a part of the Bureau of the Census, which was made a permanent Bureau under earlier legislation, and, when this Department was created, was attached to and made a part of it.

In an inquiry of this kind, several subjects or classes of subjects must be dealt with: The class of work done by each of the bureaus mentioned; whether the work of these bureaus is closely related; whether duplication in the work exists; whether there is proper coordination between related subjects, if there be any; and if such coordination exists, whether it results in the issue by these bureaus of figures that are consistent with each other.

You are also directed to inquire into the whole statistical work of this Department, to see whether proper coordination exists among the several branches.

I think it wise that you should have the advice of distinguished economists and statisticians relative to this inquiry, and I have accordingly requested the following-named gentlemen to act in an advisory capacity to you: Prof. Edwin R. A. Seligman, Columbia University, New York, N. Y.; Prof. J. W. Jenks, Cornell University, Ithaca, N. Y., and Mr. H. Parker Willis, Washington, D. C. Each of these gentlemen has signified his willingness to do so.

It is my wish that Assistant Secretary of Commerce and Labor Lawrence O. Murray be chairman of the committee. I

should like to have this work immediately undertaken and a report embodying your recommendations submitted to me at the earliest practicable date.

Respectfully,

OSCAR S. STRAUS,
Secretary.

To LAWRENCE O. MURRAY, *Assistant Secretary of Commerce and Labor*; S. N. D. NORTH, *Director of the Census*; HERBERT KNOX SMITH, *Commissioner of Corporations*; CHARLES P. NEILL, *Commissioner of Labor*; and O. P. AUSTIN, *Chief, Bureau of Statistics.*

The Committee held its first meeting on October 8, 1907, and commenced immediately the taking of testimony, which continued for a period of four weeks. Over thirty witnesses either testified in person before your Committee or submitted their views in writing. A list of the names and official titles of these witnesses is attached to and made a part of this report.

Your Committee has critically examined the work and publications of both the Bureau of Statistics and the Bureau of the Census, and also the statistical work and publications of the other bureaus of the Department engaged in gathering, compiling, and publishing statistics. After a careful consideration of this work and of the testimony, we have the honor to submit the following report and recommendations:

The propriety or advantage of consolidating the Bureau of Statistics with the Bureau of the Census depends primarily upon the character of their work and secondarily upon broad principles of administrative organization. There are six or more bureaus in the Department of Commerce and Labor in which important statistical work is either the direct object of their organization or necessarily involved in the performance of their duties. Sta-

tistical service is, however, the primary function of the Bureau of Statistics and the Bureau of the Census.

The Bureau of Statistics compiles and publishes the statistics of both foreign and domestic commerce. The statistics relating to our foreign commerce embrace tables showing imports and exports of merchandise, and of gold and silver, respectively, by countries and by customs districts; the inward and outward transit trade by countries and by customs districts; imported merchandise warehoused, withdrawn from, and remaining in, warehouses; imports of merchandise entered for consumption, giving both the quantity and value, with the rates of duty and the amounts of duty collected on each article or class of articles; the inward and outward tonnage of all vessels, whether American or foreign, engaged in our foreign trade, and the countries whence entered and for which cleared, distinguishing the nationalities of the foreign vessels engaged in this trade. The Bureau also collects and publishes information in regard to certain leading commercial movements in our internal commerce. All of the information for these statements, with the exception of that relating to the statistics of internal commerce, is supplied to the Bureau by customs officers on forms furnished by the Department for that purpose. The Bureau of Statistics also publishes annually the Statistical Abstract of the United States, a compilation of miscellaneous statistical information.

The work of the Bureau of the Census covers the statistics of a very wide range of subjects, the most important of which are the decennial enumerations of the population, agriculture, manufactures, and mining of the nation. In the interval between the decennial censuses it compiles the statistics of the defective, dependent, and criminal classes; of the wealth, debt, and taxation of the country; of transportation by water; of fisheries; of religious bodies—all of

them decennial inquiries; quinquennial reports on manufactures and on the electrical industries, including street railways; and annual reports on the statistics of cities, vital statistics in registration areas, and on the production and the consumption of cotton (the former obtained from semi-monthly reports of the ginners during the harvesting season). In addition to this regular work, the Bureau is constantly required, either by act of Congress or Executive order, to collect and compile statistics on many miscellaneous subjects, such as marriage and divorce, criminal judicial statistics, the executive civil service, the annual lumber cut, etc. It now compiles the Official Register of the Government service. It was required by law to tabulate the census of the Philippine Islands, as taken by the War Department, and has recently taken, by Executive order, a census of the new State of Oklahoma, and now is about to tabulate the new Cuban census, also by Executive order. This statement does not exhaust the wide and varied field of the Bureau's activities, but it is worthy of note that its field of investigation does not touch actual commerce and trade, in the sense that these statistics are handled by the Bureau of Statistics, except in an incidental manner, as in the cotton reports.

In determining the advisability of the consolidation of the Bureau of Statistics with the Bureau of the Census, only the main lines of the work of the two bureaus should be considered; the subordinate and incidental duties of each should be disregarded. Your Committee finds that each of these bureaus has a distinct field of work, somewhat sharply differentiated in its character, and calling for a different organization.

The Bureau of Statistics compiles monthly current reports of commercial movements. Its statistics have a continuous character, and represent the movement of trade, with its increases and decreases from month to month and

from year to year. The work of the Bureau of the Census, on the other hand, is chiefly confined to compiling statistics at intervals of ten years or five years; and the facts ascertained are intended to show conditions only at particular and comparable dates. Thus the work of the two bureaus is fundamentally different in a most important respect.

In the statistical service of the Government, as in all the executive branches of the Government, there should be the most effective coordination of work and an elimination of unnecessary duplication. As between these two bureaus, however, there is no duplication, and the differences in the nature of the work render it inexpedient to consolidate them.

A further objection to the union of the Bureau of Statistics with the Bureau of the Census is to be found in the general nature of statistics. We do not propose to enter here upon the much-mooted question as to whether statistics is a science or simply a method. It may be that there are certain general rules which pertain to the presentation and interpretation of statistics of all kinds; and if by science we mean a discipline which seeks to elucidate such general rules, statistics may be called a science. But it is incontrovertible that for all practical purposes statistics are indissolubly bound up with the phenomena which it is sought to present in a statistical form. From this point of view there are as many kinds of statistics as there are broad classes of social and economic phenomena; and so far as the agencies of government deal with these phenomena they are split up into what we call departments. We accordingly find that in the United States, as well as in all other countries, each governmental department publishes, and seeks to interpret, statistics more or less appropriate to its own activities; and that even within departments the separate bureaus frequently deal with a great mass of statistics which are peculiar to themselves.

This development is perfectly explicable when it is remembered that in order to secure the best results the statistics must be collected, arranged, and interpreted by those who not only are acquainted with the general methods of statistics, but who have a special knowledge of the particular phenomena to be dealt with. Economic and social phenomena are so manifold, intricate, and subtle that only the specialist in each class of phenomena can be expected to know even what the problems are. Without an appreciation of the problems, and without an intimate, minute acquaintance with all the details, it is clearly hopeless to expect a proper collection, classification, or interpretation of the statistics themselves. The more minute knowledge of the expert specialist, the more satisfactory will be the statistics.

Hence, while it goes without saying that the statistician must be versed in the general methods of statistics, it follows that a certain amount of specialization is indispensable. The Bureau of Statistics of the Department of Commerce and Labor has indeed been misnamed, for it is only one of several bureaus dealing with statistics; but the field which it covers is a specific one, and from the point of view of the moderate specialization that is desirable nothing would be gained and much might be lost by amalgamating it with the Bureau of the Census.

We therefore do not recommend that the Bureau of Statistics be consolidated with the Bureau of the Census.

Many of the witnesses called attention to the intimate relationship between the duties of the Bureau of Statistics and the Bureau of Manufactures. A study of the laws relating to the two bureaus indicates that Congress intended that the latter Bureau should discharge important functions that had been assigned to the former in

**Consolidation of Bureau
of Manufactures with
Bureau of Statistics.**

earlier legislation. Your Committee is convinced that the consolidation of these two bureaus into one would adequately accomplish the purpose of Congress, would dispense with a superfluous bureau, and would provide an effective means of meeting a serious problem now confronting the Department of Commerce and Labor.

In the remarks which follow, the Committee does not intend to reflect in any way upon the conduct of either of the bureaus whose consolidation is recommended. We desire to emphasize two points—first, that it is impossible that two bureaus shall exist in one Department of the Government with duties so nearly identical without producing confusion, division of effort, and cross purposes; and, second, that by combining these two bureaus into one, and concentrating under one control all their closely related functions and separate energies, the Government will gain a unified, correlated, and homogeneous service and will lose nothing. A saving in cost would also be made, especially in subclerical service, but the amount would not be considerable. Instead of one strong, fully organized, aggressive bureau, in which are concentrated all the facilities of the Department for the promotion of foreign trade, there are now two small bureaus, both inadequately equipped, and discharging functions in many respects similar. Their operations under these conditions necessarily result in scattered effort, in more or less conflicting work, in much confusion in the public mind, and often in haphazard results.

We are agreed that, over against the overwhelming argument in favor of the consolidation recommended, there is not a single valid argument that can be advanced in opposition to it. In making this statement we eliminate wholly the personal equation. We assume that in the determination of an important administrative question, such as this undoubtedly is, the effect upon individuals must be entirely disregarded.

When the Bureau of Manufactures was established, Congress apparently overlooked the fact that it was assigning to it many duties which, under earlier laws, had been specifically assigned to the Bureau of Statistics while that Bureau was attached to the Treasury Department. There is but little that can be done by the Bureau of Manufactures which the Bureau of Statistics is not equally authorized to do, under laws which have never been repealed. At the same time the Bureau of Statistics retains the most important function that appertains to the promotion of American commerce—the handling of the statistics of our export and import trade. As was well said by several witnesses, these statistics are the tools with which a bureau charged with such promotion must necessarily work. Only through the study of these statistics can the points and directions be determined where American export trade can be increased and extended. No bureau can properly understand these statistics, analyze their significance, and realize their suggestiveness except by actually compiling them—by studying and presenting them in connection with all the other data from domestic manufacturers, from consular reports, and from every other source of information which are simultaneously in its possession.

For example, the consular reports can only be accurately and effectively edited in immediate and intimate association with the compilation of the statistics of exports and imports. The one work illumines, explains, supplements, and, above all else, checks and verifies the other. We have had numerous instances of the contradictory results which follow from the compilation of such intimately related data in two separate bureaus.

Again, the press analyses of the export and import statistics, indicating the growth of our foreign trade in this or that industry or country, which issue semiweekly from the Bureau of Statistics, would be proper and necessary

contents of the daily publication of the Bureau of Manufactures entitled "Consular and Trade Reports," in which they now never appear. These analyses throw much light upon the progress and present conditions of our foreign trade; and yet they are excluded from the official publication devoted to that specific object because compiled by a different bureau. This arbitrary division of a homogeneous work tends to nullify and obstruct the efforts of the Department to promote foreign trade.

The occurrence of statistical errors in our consular reports has attracted much attention and is injuring the reputation of a publication otherwise worthy of commendation. Since the publication of the consular reports has been detached from the Bureau of Statistics there has been no provision for a trained statistician in the Bureau of Manufactures to handle the extensive statistical material which occurs in them, and which is far from being accurate, owing to the fact that some of our consuls lack statistical training. By keeping the statistical service and the publication of the consular reports apart the chief advantage which this Department could have over the Department of State in the publication of such reports is lost.

Much criticism has followed from the fact that the law creating the Department detached from the Treasury a bureau which handles data supplied exclusively by Treasury officials, and from the State Department another bureau which handles material supplied exclusively through State Department officials. The gain in efficiency expected from these detachments is not attainable except by bringing the work of these two bureaus together, to be carried on under one guidance, which should coordinate and harmonize them, and so increase the effectiveness of both. The existing adjustment not only nullifies the letter of the law, but, what is of far greater

practical importance, defeats the whole purpose which Congress had in view.

Both the Bureau of Statistics and the Bureau of Manufactures are in daily receipt of numerous inquiries relating to foreign commerce which in many cases can be answered only by consulting the files of both bureaus. The consolidation of the intelligence branches of the two bureaus would do away with this constant and needless duplication of work and result in a more prompt and efficient service to the public.

Another serious duplication of labor and expense appears in the libraries which the two bureaus are building up along the same lines.

To remedy all these defects and bring this branch of departmental work to a fuller effectiveness the great requirement is unity and concentration; a bringing together, under one efficient management, of all the tools, facilities, and resources of the Department bearing upon the subject of foreign trade. The need for a reorganized Bureau of Foreign and Domestic Commerce increases rapidly with the expansion of our trade abroad. When Congress calls for information relating to our foreign trade, it should find concentrated in one bureau a body of trained technical experts able to put at its disposal all the information in the possession of the Department on every phase of foreign trade, foreign tariffs, foreign commercial regulations, and the whole great subject of international trade.

The practical effectiveness of such a bureau is proved by the actual experience of other great commercial nations, some details regarding which are set forth in the recently published report on "Promotion of Foreign Commerce in Europe and the United States," by Mr. N. I. Stone, the tariff expert of the Department of Commerce and Labor. The United States is the only important commercial

nation which does not maintain either a large bureau or a complete department to discharge the functions which will fall, under this recommendation, to the consolidated bureaus.

Congress undoubtedly supposed it was supplying this very need when it passed the law creating the Department of Commerce and Labor. It unquestionably made it possible to do so by the provision of section 4 of the organic act, under which the whole problem was relegated to the Secretary of Commerce and Labor.

Immediately upon the organization of the Department on July 1, 1903, a statistical commission was appointed by the Secretary for the purpose of studying the whole question of the reorganization of the statistical work of the Department as contemplated by section 5 of the organic act. This commission appointed a subcommittee, consisting of Carroll D. Wright, then Commissioner of Labor, S. N. D. North, Director of the Census, and O. P. Austin, Chief of the Bureau of Statistics, which subcommittee reported a plan of reorganization substantially along the lines of the present recommendation. The report of the committee went into the subject exhaustively, and stated some of its conclusions in the following language:

The committee therefore recommends that the commission report to the Secretary that the Bureau of Statistics, with which is consolidated the Bureau of Foreign Commerce (transferred from the State Department), *be consolidated with the new Bureau of Manufactures, thus making one bureau instead of three, said bureau to be renamed the Bureau of Foreign Commerce.*

Much of the field specifically assigned by law to the Bureau of Statistics has now been assigned by law to the Bureau of Manufactures, and the two fields, as thus defined, are so closely identical that it seems both unnecessary and undesirable, in view of the large discretion confided in the Secretary, to attempt to make such a division, or to maintain two bureaus with functions which are the same to all intents and purposes.

The proposed Bureau of Foreign Commerce will become, under such a consolidation, a more dignified and important

bureau of the Department than either of the two bureaus would be as separate organizations. Its chief will naturally divide its work into divisions, to which will be committed the several branches of the work which can be harmoniously carried on without overlapping when all of this work is under the immediate eye and control of a single bureau chief.

One of these divisions, which would be the Division of Trade Statistics, would discharge the main duties now performed by the Bureau of Statistics, namely, the compilation of the export and import returns.

Another division, which might perhaps be called the Division of Foreign Commerce, would handle the consular reports and other sources of information regarding foreign commerce and its extension into new markets.

A third division—perhaps the most important—which might be called the Division of Publicity and Information, would naturally handle all the new work originally contemplated by the act of Congress in that provision of the law which establishes the Bureau of Manufactures. The field of this division will necessarily be a matter of growth, but that its functions will gradually develop in important directions is not to be doubted. It will become at once a bureau of information for the general public.

Your Committee invites attention to the following extracts from the testimony taken at the hearing just concluded:

Statement of Maj. John M. Carson, Chief of the Bureau of Manufactures:

Now, if you will let me, I would like to summarize what I have said, if I have said anything of consequence. I feel this way in regard to these two bureaus: I have not the least doubt that if they are under the same rule, or if they were put together and coordinated in some way, it would add to economy and efficiency; but I believe that whatever may be done in that regard they will be distinct organizations. They might be under one direction, but they would be distinct.

Statement of Mr. O. P. Austin, Chief of the Bureau of Statistics, made immediately after the statement by Major Carson:

Q. Mr. Austin, you were a member of a former statistical committee whose report has been made a part of the record?—
A. Yes.

Q. May I ask, in this connection, if you still entertain the views expressed in that report?—A. Of course, those views were expressed before the Bureau of Manufactures was organized—

Q. That is true.—A. And I felt a little greater liberty in expressing views upon that point than I do now, since the Bureau has been organized. But I have seen no reason to change my general opinion as expressed at that time.

It will be seen that the report above quoted anticipated the conclusions which your Committee has reached; and we feel justified in adding that the experience of the four years which have since intervened confirms the conclusions of the original committee. The situation to-day is quite as unsatisfactory as that of four years ago. We believe that the time has come when the radical step then recommended should no longer be postponed.

Your Committee therefore recommends that the Bureau of Manufactures and the Bureau of Statistics be consolidated into one bureau, and that the bureau thus formed be called the "Bureau of Foreign and Domestic Commerce."

**Statistics Relating to
Internal Commerce.**

The statistics of internal commerce as published by the Bureau of Statistics consist of four distinct statements:

(1) The domestic commerce of the Great Lakes; (2) the movements of certain articles of domestic commerce on the ocean frontage; (3) the concentration of the principal domestic products and articles of commerce at great interior primary centers, and their movement thence toward the seaboard as they are received or as transformed at the point of concentration; and (4) the commercial movements on certain rivers and canals of the country. Including the annual appropriation of \$4,000, the clerical assistance, and the printing, these statistics are costing about \$25,000 a year.

Your Committee believes that there is a public demand for statistics relating to our internal commerce, but the

demand is, of course, for complete and adequate statistics, or, if these are impossible, then for those approaching a reasonable degree of adequacy. The need for such statistics is doubly emphasized by the projects for the improvement of our system of internal waterways, the wise application of funds for which is dependent upon a knowledge of the distribution of commerce. The statistics of internal commerce, as published by the Bureau of Statistics, are, however, extremely unsatisfactory, because of lack of authority to require proper statements from those able to supply information on this subject and a lack of force to properly gather and compile such information, and do not afford even a reasonable basis for making an estimate as to the total movement of our internal commerce. In several instances the Government has had occasion to use these figures in special investigations, and it has found them very inadequate. The statistics published by the Government are regarded as a standard, not only in this country but abroad, with reference to the subjects of which they treat. They should be published in such form only as to warrant this confidence, and those relating to internal commerce should, if possible, be so arranged as to harmonize in some respects with the statistics of import trade, with a view to tracing the distribution of staple imported commodities to the principal points of consumption. Again, they should be so classified and arranged as to permit comparison with the figures for exports, in order that exports may easily be subdivided according to places of origin.

The internal commerce of a country is fundamentally important to its welfare and is the foundation of its external commerce. This is especially true of the United States. So varied, moreover, are our geographical and climatic conditions that the changes which are continually taking place in the value, the direction, and the extent of our

internal commerce will be of even greater significance in the future than they now are. For this reason the same attention ought to be devoted to the statistics of internal commerce as to those of foreign commerce.

Three possible plans for collecting statistics of domestic commerce present themselves: The first is to transfer to the Interstate Commerce Commission the entire work relating to the collection and publication of statistics of internal commerce. This we dismiss as undesirable, because there ought to be one place where the statistics of internal commerce can be compared with those of foreign commerce; and this place is manifestly the proposed Bureau of Foreign and Domestic Commerce in the Department of Commerce and Labor. The second plan is to limit the collection and interpretation of transportation statistics to the Department of Commerce and Labor. To this the Interstate Commerce Commission would probably for many reasons object. There remains a third plan, which is to have the statistics of internal commerce collected both by the Department of Commerce and Labor and by the Interstate Commerce Commission, and to have each utilize them for its own purposes, cooperating at every practicable point in their collection and compilation. This last plan has the indorsement of your Committee.

The Division of Statistics of the Interstate Commerce Commission already collects physical and financial statistics as well as operating statistics of railroads, and it has in contemplation, we believe, the collection also of commercial statistics of transportation, which would relate primarily to tonnage, the character of the commodity, the origin of the commodity, the destination of the commodity transported as freight—in short, all those items which pertain to the commercial geography of the United States so far as that is reflected in transportation. The statistical returns which the corporations acting as common carriers

are required by law to make to the Interstate Commerce Commission could with very little trouble be amplified so as to include these new statistics. On the other hand, the Department of Commerce and Labor has at present no authority to enforce the collection of such statistics.

There is no reason to suppose that an undue burden would be imposed upon the common carriers if the statistics which they prepare were required to be made in duplicate, one copy to be forwarded to the Department of Commerce and Labor and one to the Interstate Commerce Commission; there is every reason to hope and to believe that there would be a close cooperation between the Bureau of Foreign and Domestic Commerce and the Interstate Commerce Commission, so as to avoid unnecessary duplication and friction, and it is entirely possible that some such arrangement might be worked out between the Department of Commerce and Labor and the Interstate Commerce Commission as is now in existence between the Department of Commerce and Labor and the Treasury Department for the collection of the statistics of foreign commerce.

The Bureau of Foreign and Domestic Commerce in the Department of Commerce and Labor ought, however, to be empowered to collect the statistics as well as to interpret and publish them, because experience has demonstrated that there can be no thorough-going interpretation without some power over the methods of collection.

We therefore recommend that in the reconstituted Bureau—under whatever name it be known—there be a Division of Domestic Commerce with sufficient resources and authority to insure the collection and publication of adequate and complete statistics on this most important subject, and we also recommend that Congress be asked to appropriate a sufficient sum of money therefor.

Division of Tariffs.

Possibly no subject of legislation is more vital in its relation to the development of our manufactures and of our commerce than that of tariffs, both those of the United States and those of foreign countries. In Europe great importance is attached to this work, and our present handling of this subject could not stand comparison with that of countries like Great Britain, Germany, etc. In our country, so far, we have depended chiefly upon the English translations of the foreign tariffs issued by the International Bureau at Brussels. These translations are often late, and they fall very far short of supplying the information especially required by American manufacturers and merchants regarding foreign tariffs as they exist and the proposed changes in those tariffs. Moreover, our State Department is at times negotiating treaties with foreign countries in which the question of reciprocity, or at any rate of tariff changes, arises. In all such negotiations, with our present equipment, our Government is at a great disadvantage. Other leading countries publish all the information furnished by the International Bureau several months before that bureau is able to do so. Furthermore, through their commercial attachés and their foreign legations, through their traveling commercial agents, and through their experts in their home offices, who keep familiar from day to day with current literature, they are able to send information to business men and to furnish information to their governments regarding pending tariff legislation in foreign countries, so that they may anticipate possible changes far enough in advance largely to protect their interests.

In view of the rapid growth of our foreign commerce, and especially of the effort to develop this foreign trade as rapidly as possible, it is extremely desirable that this tariff division be rendered as efficient as possible. We therefore

recommend that there be created a new Division of Tariffs with equipment sufficient to enable it to carry on its work in a manner suitable to the importance of the subject.

According to the above plan, the reconstituted Bureau of Foreign and Domestic Commerce would consist of four main divisions:

1. The Division of Foreign Commerce.
2. The Division of Domestic Commerce.
3. The Division of Consular Reports.
4. The Division of Tariffs.

Statistical Committee.

While we have heretofore called attention to the desirability of specialization in statistical work, we can not refrain from pointing out that in some respects the specialization has been carried too far in the United States. The chief evils which have resulted from an excessive specialization and separation in this country have been frequent duplication of results, the lack of uniform methods where uniformity is desirable, and the frequent lack of harmony in the use of statistical terms or principles which ought to be common to all forms of statistics. These defects can best be overcome by some form of cooperation. A joint or cooperative committee, to consist of a representative from each of the Executive Departments and independent Government establishments, ought to be formed by Executive order. Such an interdepartmental committee might be called a "statistical committee."

Committees of this kind have frequently been recommended by international statistical congresses, and such committees now in existence in several European countries have done admirable work. The duties of such a committee, if established, should be deliberative and advisory rather than executive. A good example of such duties is

that of the Central Statistical Commission, established in France by the decree of 1855. The significant parts of this decree are as follows:

A statistical commission is hereby established in the Department of Finance. Its powers are advisory and it shall be entitled to give advice:

1. Regarding the sources, methods, schedules, and instructions which are to be used in the various statistical offices, as well as regards the provisions for securing uniformity in statistical publications.
2. Regarding the preparation and publication of the *Annuaire Statistique de la France*, which contains the summary of official statistics.
3. Regarding the plans for and the publication of results of new statistical inquiries.
4. Regarding the relation between French statistical offices and those of foreign countries.

The specific duties which would naturally attach to such a statistical committee would be as follows:

- (a) To make recommendations with a view to eliminating unnecessary duplication of work and conflicting results.
- (b) To make recommendations with a view of utilizing the statistical material in one branch of Government work, with reference to the needs or aims of other branches.
- (c) To make recommendations with a view of establishing uniform definitions of statistical terms. The present system makes uniform definitions impossible.
- (d) To make recommendations with a view of introducing uniform methods.
- (e) To make recommendations in regard to schedules and accompanying instructions relative to any new line of statistical inquiry; to study the needs of the various bureaus and Departments from time to time and above all to test the results achieved, and to investigate whether they are in harmony with each other and modern statistical methods and practice.

(f) To make recommendations regarding the preparation and the place of publication of the Statistical Abstract of the United States.

Such a joint or cooperative body would involve no additional expense; it would promote uniformity of statistical methods and results; it would prevent duplications; it would render possible closer cooperation; and it would tend to keep the statistical work of the Government abreast of the most modern methods. For these reasons we recommend the creation by Executive order of an Interdepartmental Statistical Committee.

Summary of Recommendations.

Briefly summarized, the recommendations of your Committee are:

1. That the Bureau of Statistics be not consolidated with and made a part of the Bureau of the Census.
2. That the Bureau of Manufactures and the Bureau of Statistics be consolidated into one bureau; and that the bureau thus formed be called the Bureau of Foreign and Domestic Commerce.
3. That the Division of Domestic Commerce of the new Bureau of Foreign and Domestic Commerce be enlarged and strengthened, and that Congress be asked to appropriate a sum sufficient to insure the collection, the presentation, and the publication of more complete and adequate statistics of internal commerce.
4. That there be created within the new Bureau of Foreign and Domestic Commerce a separate Division of Tariffs, with duties as indicated above.
5. That an Interdepartmental Statistical Committee be formed under the jurisdiction of the Secretary of Commerce and Labor, said committee to be created by Exec-

tive order and to consist of a representative from each of the Executive Departments and independent Government establishments.

Respectfully submitted.

LAWRENCE O. MURRAY,
*Assistant Secretary of Commerce and Labor,
Chairman,*

S. N. D. NORTH,
Director of the Census,

HERBERT KNOX SMITH,
Commissioner of Corporations,

CHARLES P. NEILL,
Commissioner of Labor,

O. P. AUSTIN,
*Chief, Bureau of Statistics,
Committee on Statistical Reorganization of the Department.*

Approved in every particular:

EDWIN R. A. SELIGMAN,
Columbia University, New York, N. Y.

J. W. JENKS,
Cornell University, Ithaca, N. Y.

H. PARKER WILLIS,
Washington, D. C.

To Hon. OSCAR S. STRAUS,
Secretary of Commerce and Labor.

LIST OF WITNESSES.

The following is a list of the witnesses who either appeared in person and testified before the Committee on Statistical Reorganization or who submitted written statements expressing their views upon the proposed consolidation of the Bureau of Statistics with the Bureau of the Census:

Name.	Title.
Archibald Blue.....	Chief Officer, the Census and Statistics Office, Department of Agriculture, of Ottawa, Canada.
W. S. Rossiter.....	Chief Clerk, Bureau of the Census, Department of Commerce and Labor.
Isaac M. Rubinow.....	Chief, Library Division of the Bureau of Statistics, Department of Commerce and Labor.
Max West.....	Of the Bureau of Corporations, Department of Commerce and Labor.
William M. Steuart.....	Chief Statistician for Manufactures, Bureau of the Census, Department of Commerce and Labor.
Willis J. Fowler.....	Chief, Organization Division, Office of the Comptroller of the Currency, Treasury Department.
Joseph A. Hill.....	Chief, Division of Revision and Results, Bureau of the Census, but temporarily with Immigration Commission.
Morris Jacobson.....	Internal Commerce Expert, Bureau of Statistics, Department of Commerce and Labor.
N. I. Stone.....	Tariff Expert, Bureau of Manufactures, Department of Commerce and Labor.
E. Dana Durand.....	Deputy Commissioner of Corporations, Department of Commerce and Labor.

LIST OF WITNESSES—Continued.

Name.	Title.
Hugh M. Smith.....	Deputy Commissioner of Fisheries, Department of Commerce and Labor.
Cressy L. Wilbur.....	Chief Statistician for Vital Statistics, Bureau of the Census, Department of Commerce and Labor.
Charles C. Clark.....	Associate Statistician, Department of Agriculture.
John H. Dynes.....	Special Examiner, Bureau of Corporations, Department of Commerce and Labor.
Francis Walker.....	Special Examiner, Bureau of Corporations, Department of Commerce and Labor.
Geo. C. Havenner.....	Chief, Division of Printing, Department of Commerce and Labor.
Worthington C. Ford....	Former Chief of the Bureau of Statistics when it was a Bureau of the Treasury Department; now division chief, Library of Congress.
William L. Crounse.....	Washington correspondent of a number of commercial and trade papers—the Iron Age; Iron and Steel Industry; Oil, Paint and Drug Reporter; the Tobacco Leaf; the Fur Trade Review, and others of a similar character.
John Ball Osborne.....	Chief, Bureau of Trade Relations, Department of State.
David T. Day.....	Petroleum Expert in Geological Survey, Department of the Interior; for 21 years previous to July 1, 1907, Chief, Division of Mining and Mineral Resources, same Department.
James L. Gerry.....	Chief, Division of Customs, Treasury Department.
Edward W. Parker.....	Statistician, Geological Survey, Department of the Interior.
Joseph Nimmo (by letter).	Former Chief of the Bureau of Statistics when it was a Bureau of the Treasury Department.
Geo. K. Holmes.....	Chief, Division of Foreign Markets, Department of Agriculture.
Henry C. Adams.....	Statistician of the Interstate Commerce Commission.
H. T. Newcomb.....	Attorney at law, Washington, D. C.
Frank H. Dixon.....	Of the Interstate Commerce Commission.

LIST OF WITNESSES—Continued.

Name.	Title.
Wm. Boyd Hunter.....	Special Examiner, Bureau of Corporations, Department of Commerce and Labor.
John Franklin Crowell (extract from letter).	Formerly Internal Commerce Expert, Bureau of Statistics, Department of Commerce and Labor, and now with the Wall Street Journal, New York, N. Y.
J. N. Whitney.....	Chief Clerk, Bureau of Statistics, Department of Commerce and Labor.
John M. Carson.....	Chief, Bureau of Manufactures, Department of Commerce and Labor.
Milton E. Ailes (by letter)	Ex-Assistant Secretary of the Treasury.

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**END OF
TITLE**